

Large organizations see NAFTA's overall effect as positive: A majority of respondents from major corporations believed that NAFTA will have a positive impact on their businesses. Fifty-five per cent anticipated a positive impact, while 36 per cent indicated that NAFTA will have a neutral effect on their organizations. This is a reversal from last year, when 35 per cent of respondents expected a positive impact on their business, and 56 per cent expected no impact. The remaining 9 per cent indicated that their business may suffer under NAFTA.

Among companies in the fastest-growing category, 64 per cent of respondents expected a positive impact on their business, while 24 per cent expected no impact. Nine per cent indicated that NAFTA will affect their business negatively and 3 per cent did not respond.

Mexico has significant market potential: Generally, respondents from major corporations saw opportunities for their companies. Fifty-three per cent indicated that companies in their industry have significant market potential in Mexico, while 36 per cent felt the Mexican market is not significant.

Respondents from the fastest-growing category reported similar views. Forty-five per cent indicated that they saw significant opportunity in Mexico

for their industry, while 42 per cent reported that the Mexican market is not significant.

Canadian companies are competitive: A majority of respondents from the *Top 1,000* suggested that Canadian companies in their industry sector are more competitive in comparison to companies in Mexico. Fifty-four per cent said that Canadian companies are more competitive; 10 per cent believed Canadian companies are less competitive. The remainder were undecided or felt that Mexican competition is not applicable to their industry.

Respondents from the fastest-growing category were less bullish on this issue. Thirty per cent said that Canadian companies in their industry sector are more competitive, 27 per cent indicated that Canadian companies are less competitive. The remainder were undecided or felt that Mexican competition is not applicable.

Certain external factors influence competitiveness: When respondents were asked to rate factors that affect their ability to compete with similar organizations based in Mexico, three items were selected most often:

- (a) levels of government taxation
- (b) availability of skilled employees
- (c) value of the Canadian dollar

NAFTA will improve Canadian business competitiveness: Eighty-

nine per cent of respondents from the *Top 1,000* and 76 per cent from the *Fastest 100* agreed that NAFTA will, in the long term, improve Canadian business competitiveness in world markets.

Canada will be more attractive for investment: Fifty per cent of respondents from major corporations believed that NAFTA will make Canada a more attractive place for investment; 32 per cent indicated that NAFTA will have no effect on investment attractiveness.

Thirty-three per cent of respondents from the fastest-growing category believed NAFTA will make Canada more attractive for investors; 30 per cent indicated that NAFTA will not affect investment attractiveness. A sizable percentage (25 per cent versus 6 per cent in the *Top 1,000*) were unsure as to how NAFTA will affect investment.

Twelve per cent in both categories believed NAFTA will make Canada less attractive for investors.

NAFTA improves/safeguards the FTA: A majority of respondents believed that NAFTA has improved or safeguarded the 1989 Canada-U.S. Free Trade Agreement. Fifty-three per cent from major corporations and 36 per cent from the fastest-growing category believed that NAFTA improved/safeguarded the FTA.